GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:874
ANSWERED ON:31.07.2006
CEILING ON STORAGE OF FOODGRAINS
Ahir Shri Hansraj Gangaram

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has decided to withdraw the ceiling on storage of foodgrains including wheat;

(b) if so, the reasons therefor;

(c) whether the assessment of the impact of the same on the farmers and the consumers has been made by the Government;

(d) if so, the details thereof; and

(e) the steps taken by the Government to check the profiteering by the foodgrains traders after the withdrawal of ceiling of storage limit?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a) & (b): Government has removed controls on trading of foodgrains (including wheat) viz. licensing, stock limits and inter-State movement restrictions vide a Central Order issued on 15.2.2002 with amendment dated 16.6.2003.

(c), (d) & (e): The controls on trading of foodgrains have been removed to enable the farmers to get best prices for their produce, achieve price stability and ensure availability of foodgrains in deficit areas. The Government has been constantly monitoring the prices of foodgrains and taking remedial action whenever prices have shown a rising trend. The fluctuation of wheat prices in the Futures Market have been also closely monitored and action taken whenever fluctuations due to speculative practices have been observed. To improve the availability of wheat so as to meet the requirements of TPDS/OWS and buffer norms, a decision to import 3.5 million tons of wheat has been taken. Further, to improve the availability in the open market and keep in check the prices of wheat, decision has also been taken to permit import of wheat under OGL at 5% duty. It is further added that as per the Central Order issued in Feb. 2002, the State Governments still retain the powers to issue Control Orders for licensing, stock limits etc. for all essential commodities with the prior concurrence of the Central Government.